helloworld TRAVEL LIMITED

FY17

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This document includes the presentation of results on a statutory basis as well as non-statutory information. All financial results are presented in AUD unless otherwise stated and rounded to millions. Data used for calculating percentage movements has been rounded to thousands.

Key non-statutory financial metrics

Total Transaction Value (TTV) - *does not represent revenue in accordance with Australian Accounting Standards. TTV represents the price at which travel products and services have been sold across the Group, as agents for various airlines and other service providers, plus revenue from other sources. The Group’s revenue is, therefore, derived from TTV. Total TTV does not represent the Group cash inflows as some transactions are settled directly between the customer and the supplier.*

Earnings before interest expense, tax, depreciation and amortisation (EBITDA) - *is a financial measure which is not prescribed by Australian Accounting Standards but is the measure used by the Board to assess the financial performance of the Group and operating segments.*

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Agenda

1 Overview

2 Financial Performance

3 Business Focus and Priorities

4 Appendix

Overview

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FY17 Results Overview

TTV $5,872.3m	3.1% on FY16
Revenue $326.4m	8.6% on FY16
EBITDA $55.2	118% on FY16
NPAT $21.6m	1188% on FY16
Total Dividends 14.0 cents	600% on FY16

- $5.9 billion TTV achieved in challenging market environment.
- Strong revenue growth led by TTV growth and margin improvement.
- Significant business profitability improvement in both EBITDA and NPAT:
  - Benefit from full year impact of AOT business inclusion.
  - Reduced cost base following implementation of merger synergies and cost reduction program.
- Rewarding shareholders with strong dividends.
- Right size cost base, setting foundation for future growth at higher margins.

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Financial Performance

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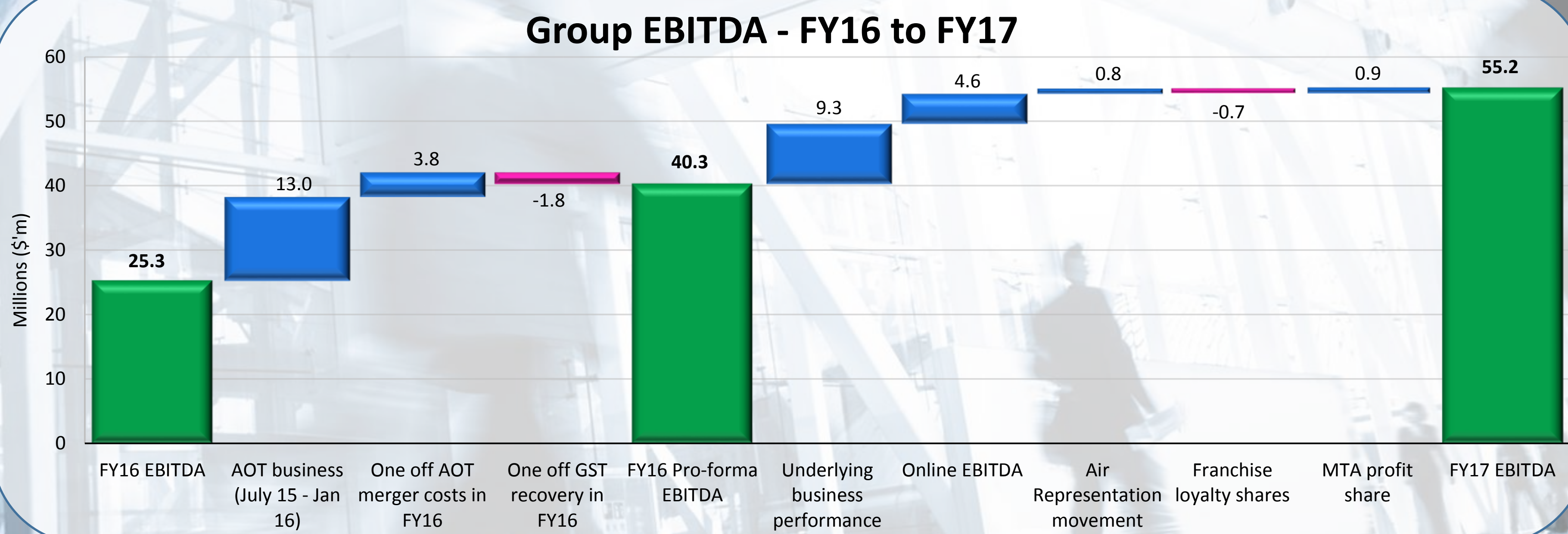
FY17 Full Year Results

	FY17 $m	FY16 $m	Change %
Total Transaction Value (TTV)	5,872.3	5,694.3	3.1%
Revenue	326.4	300.5	8.6%
Gross margin %	5.6%	5.3%	0.3%
EBITDA	55.2	25.3	118%
EBITDA % of revenue	16.9%	8.4%	8.5%
Profit before tax	31.0	3.5	800%
Net profit after tax	21.6	1.7	1188%
Basic earnings per share (cents)	18.8	1.9	889%
Diluted earnings per share (cents)	18.4	1.9	868%
Total dividends per share (cents)	14.0	2.0	600%

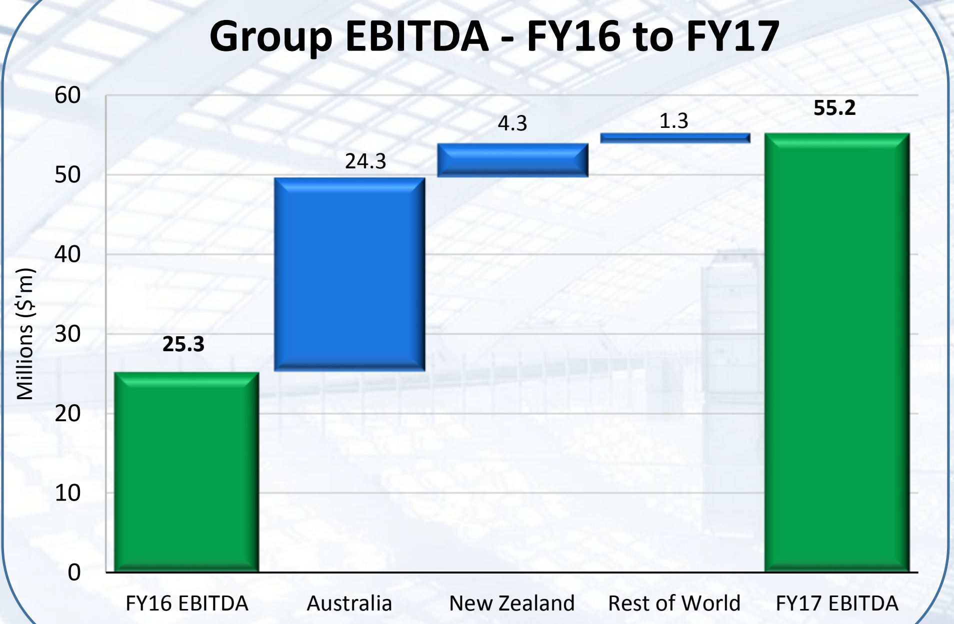
- Ticketing volumes increased by 19%, however TTV impacted by lower airfare prices.
- Revenue improvement from inclusion of AOT business for full year and better supplier and partner contracting, leading to revenue growth of 8.6% and margin improvement to 5.6% in FY17.
- Operating expenses well controlled and cost reduction program delivering.
- EBITDA growth across all segments and strong EBITDA margin improvement to 16.9% in FY17.
- Net profit growth of $19.9m and FY17 EPS of 18.8 cents per share, evidencing strong FY17 business turnaround.
- Final dividend proposed of 8.0 cents per share, bringing total dividends declared to 14.0 cents per share in FY17.

Group EBITDA – by nature



- Underlying business performance increase of $9.3m (excludes AOT full year impact, online and air representation) reflects:
  - Focus on profitable growth delivering higher revenue margins.
  - Increase of New Zealand revenue offset by decrease in Rest of World revenue (mainly Insider Journeys).
  - Strong cost control discipline reflecting benefits of merger synergies and cost saving program.
- Online EBITDA turnaround of $4.6m reflects exit of unprofitable Orbitz relationship and development of omni-channel strategy including re-launch of helloworld.com.au.

Group EBITDA – by segment



- **Australia segment** - excellent business performance representing growth from the full year inclusion of AOT businesses, revenue margin improvements and delivery of merger synergies and cost reduction program.
- **New Zealand segment** - strong performance mainly representing TTV and revenue margin improvements.
- **Rest of World segment** - improved performance following business restructure and re-sizing of cost base.

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Significant one-off items

	FY17 $m	FY16 $m
Redundancy costs	0.9	1.8
Business transformation costs	0.6	2.9
Franchise loyalty shares	0.7	-
AOT merger costs	-	3.8
GST matter recovery	-	(1.8)
TOTAL	2.2	6.7

Significant items in FY17

- Redundancy costs of $0.9m from the continued restructure of the business cost base.
- Business transformation costs of $0.6m mainly relating to property rationalisation.
- Franchise loyalty shares expense of $0.7m, introduced as part of multi-strategy framework to align and strengthen Helloworld Travel and franchise member network partnership.

Australia Overview

	FY17 $m	FY16 $m	Change %
Total Transaction Value (TTV)	4,908.8	4,747.8	3.4%
Revenue	243.6	224.2	8.7%
Gross margin %	5.0%	4.7%	0.3%
Operating expenses	(194.2)	(198.2)	2.0%
Equity accounted profits	0.9	-	N/A
EBITDA	50.3	26.0	93.4%
EBITDA margin	20.7%	11.6%	9.1%

Strong growth in TTV and revenue

- Increased ticketing volumes offset by lower airfare prices.
- Strong contribution from full year of AOT businesses.
- helloworld.com.au transition from unprofitable Orbitz platform.
- Sale of airline representation business.
- Gross margin improvements reflect change to product mix and improved contracting outcomes.

- Costs decreased despite the full year inclusion of the AOT business.
- Acquisition of 50% of MTA, contributed $0.9m since 1 December.
- EBITDA margin improvement of 9.1% to 20.7%.

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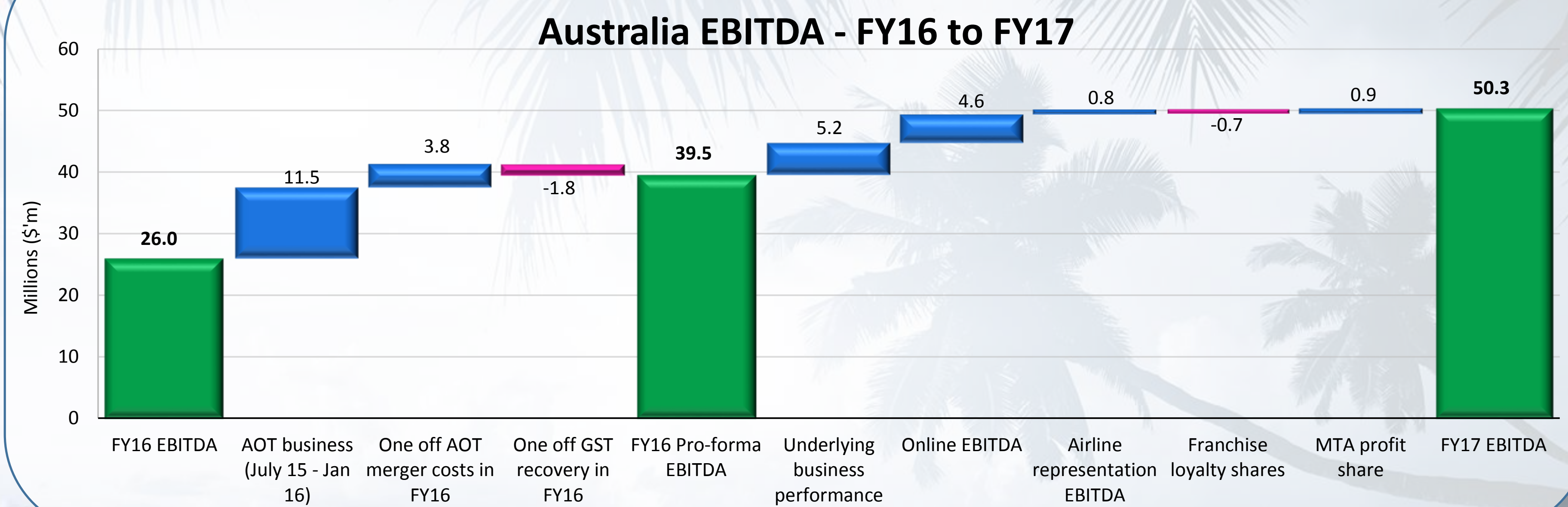
Australia EBITDA FY17



- Underlying business performance increase of $5.2m (excludes AOT full year impact, online and air representation) reflects
  - Focus on profitable growth delivering higher revenue margins.
  - Air Ticketing volumes increase of 19% offset by 12% lower average international airfare prices in a competitive market environment.
  - Strong cost control discipline reflecting benefits of merger synergies and cost saving program.
- Online EBITDA turnaround of $4.6m reflects exit of unprofitable Orbitz relationship and development of omni-channel strategy including re-launch of helloworld.com.au.

Australia Business Review

Retail franchise operations

- Brand Evolution
  - Changed company name to Helloworld Travel to reflect our place in the industry and brand name recognition.
  - Successfully launched Helloworld Travel - The Travel Professionals tagline for our branded networks, launched 'a Member of Helloworld Travel' for our associates and Helloworld Business Travel as our corporate expertise area.
  - Recreated the musical jingle to accompany the tagline across our TV and radio advertising.
  - Continued to sharpen our focus on marketing with increased advertising and promotional activity.
  - Sponsorship portfolio growth and development with Basketball Australia, Volleyball Australia and Carlton Football Club.
- Winner of the 2017 Best Travel Agency Group at the National Travel Industry Awards for the second year running.
- Acquisition of 50% of MTA completed providing a significant footprint in a growing sector.
- Franchise loyalty bonus program and co-investment strategy to strengthen member loyalty.
- High agent engagement with record attendance at OMC and Business Summit.

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Australia Business Review

Wholesale/Inbound operations

- Improved product and destinations offerings.
- Acquisition of cruise businesses.
- Enhanced ReadyRooms portal providing a more comprehensive range and easier booking process.
- Business synergies being realised.
- 2017 National Travel Industry Award winners:
  - Best Wholesaler Australia Product – Sunlover Holidays (second year running).
  - Best Wholesaler International Product – Qantas Holidays and Viva! Holidays.

Travel Management operations

- AOT Hotels successfully re-tendered for the Whole of Australia Government Accommodation Program Management.
- QBT successful with implementation and delivery of travel solutions for NT Government and PwC.
- Focus on development of new technologies and value added products.

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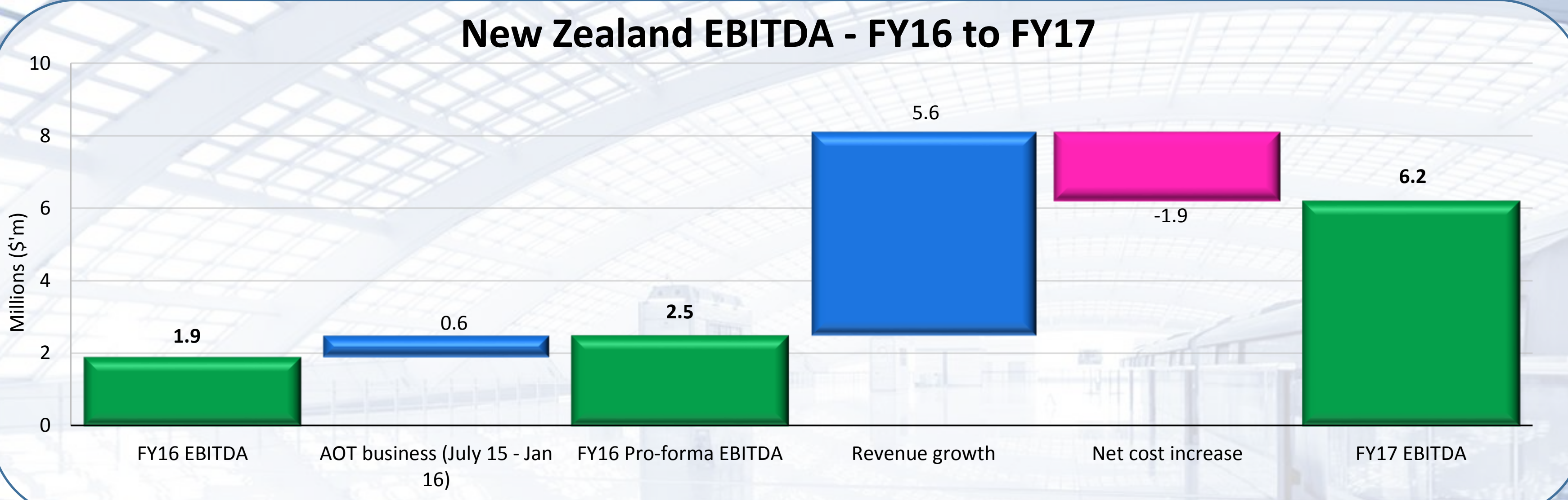
New Zealand Overview

	FY17 $m	FY16 $m	Change %
Total Transaction Value (TTV)	849.0	820.8	3.4%
Revenue	60.5	52.6	15.0%
Gross margin %	7.1%	6.4%	0.7%
Operating expenses	(54.3)	(50.7)	(7.1%)
EBITDA	6.2	1.9	229%
EBITDA margin	10.3%	3.6%	6.7%

- TTV, revenue and margin growth driven by strong sales performance from the Go Holidays wholesale brand, and increased sales from larger retail member network.
- Operating costs well controlled with productivity efficiencies, growth in selling expense to support the revenue growth and franchise member loyalty.
- EBITDA shows a strong improvement with growth in EBITDA margin of 6.7% to 10.3%.

New Zealand EBITDA FY17



- Revenue improvement of $5.6m driven by strong TTV and margin growth in wholesale brand (Go holidays) and strong growth in retail network member numbers.
- Net costs increase of $1.9m includes benefits of merger synergies and cost saving program offset by selling expense increase to support member loyalty and growth via revised agent incentive model.

New Zealand Business Review

Retail franchise operations

- Retail members growth (300 members, increase of 57 members)
  - World Travellers group joined adding material TTV volumes across air, land and third party suppliers.
  - Independent agent group rebranded to My Travel Group and has grown by 62% during the year.
- Brand awareness has increased by 478% following Helloworld rebrand in 2016.
- Winner of the 2016 TAANZ NTIA awards for - Best Brand Retail location, Best Travel Agency Manager and Best Broker.

Wholesale operations

- Go Holidays strong sales performance with significant TTV increase from 'in-house' sales from the Helloworld retail group.
- Go Holidays awarded 2016 TAANZ NTIA award for Best Wholesale Brand for the third year running.

Travel Management operations

- APX challenges of strong competition and falling air fare prices impacting revenue.
- Focused on investing in technologies to improve customer service offerings and productivity efficiencies.

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Rest of World (ROW) Overview

	FY17 $m	FY16 $m	Change %
Total Transaction Value (TTV)	114.5	125.7	(8.9%)
Revenue	22.3	23.7	(6.0%)
Gross margin %	19.5%	18.9%	0.6%
Operating expenses	(23.7)	(26.3)	10.2%
EBITDA	(1.4)	(2.6)	48.2%
EBITDA margin	(6.1%)	(11.0%)	4.9%

- TTV and revenue impacted by lower trading from the Insider Journeys brand as refocus on distribution channel and margin, in addition to adverse foreign exchange movements.
- Significant reduction in operating expenses as restructured cost base to reduce trading loss.
- EBITDA improvement of $1.2m to a loss $1.4m. The Group has re-sized the cost base and will continue to drive improved performance of segment.

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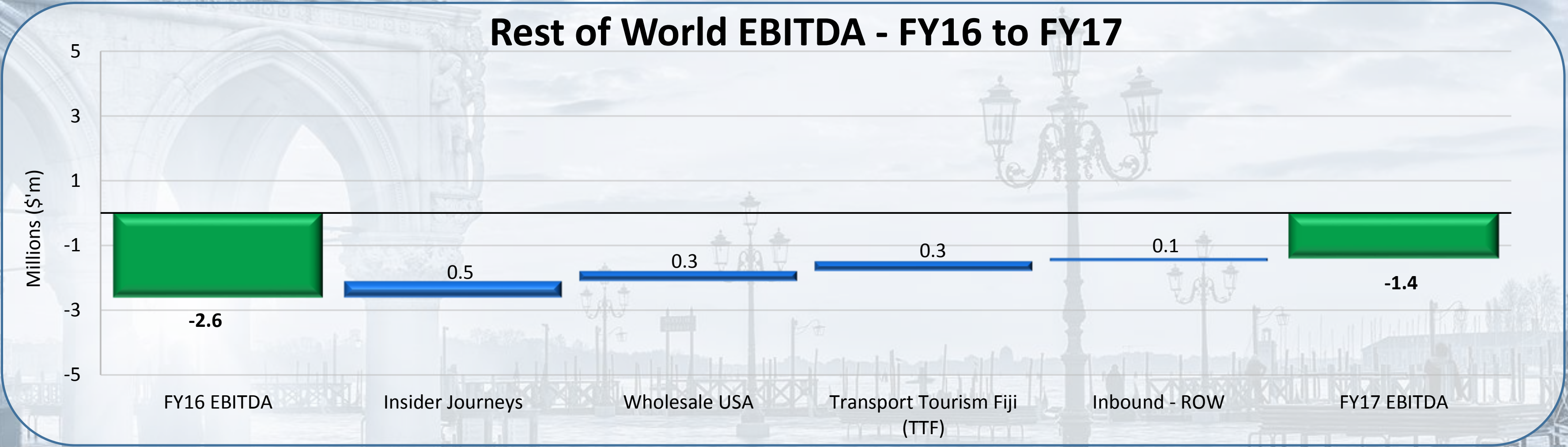
Rest of World (ROW) Overview



- Insider Journey's business improvement from a shift back to its traditional wholesale market and re-sized cost base.
- USA wholesale performance benefited from re-alignment of cost base and driving future TTV growth through restructure of sales, advertising and promotion teams.
- Inbound ROW and TTF have benefited from increase of incoming passengers numbers from strong cruise ship arrivals in Fiji.

Rest of World (ROW) Review

Insider Journeys

- Refocus of revenue distribution channel and margin.
- Continues to face challenges of aggressive pricing and heavy discounting by competitors in key markets.
- Cost base reduction and right-size.
- Alignment of business systems with other Helloworld wholesale brands.

Inbound and Transport businesses (Fiji)

- Strong businesses from AOT Group merged.
- Increase of incoming passengers numbers from strong cruise ship arrival growth into Fiji.

Wholesale USA

- Focus on TTV growth through team restructure to increase coverage and exposure in region.
- Refocused marketing to drive growth.

EBITDA to NPAT reconciliation

	FY17 $m	FY16 $m
EBITDA	55.2	25.3
Depreciation/ amortisation	(21.1)	(18.4)
Finance costs	(3.1)	(3.4)
Net profit before tax	31.0	3.5
Income tax expense	(9.4)	(1.8)
Net profit after tax	21.6	1.7

- Depreciation/amortisation increase led by full year inclusion of AOT businesses and accelerated depreciation of assets no longer required.
- Actual FY17 capital expenditure decreased from prior year, reflecting improved capital management discipline.
- Finance costs reduction due to implementation of new financing agreement and lower interest rates in market.
- Income tax increase due to higher profits with a FY17 tax effective rate of 30.4%. Prior year tax effective rate adversely impacted by AOT merger costs.
- Strong net profit after tax and earning per share, supporting final dividend declared.

Liquidity and funding

	FY17 $m	FY16 $m	FY15 $m
Company cash	34.7	26.2	27.4
Client cash	163.4	176.4	148.7
Total cash	198.1	202.6	176.1
Drawn debt	(20.8)	(47.5)	(24.9)
Net cash	177.3	155.1	151.2

- Strong cash position with reduced external debt. We are well positioned to invest in future growth opportunities.
- In October 2016, successful new share issue of 7.0m shares at $4.25 per share. Funds were used to:
  - purchase our 50% share in MTA; and
  - repay long term debt of $17.0m.
- In May 2017, refinanced our banking facilities with Westpac on favourable terms:
  - new $60m secured debt facility with a 5 year term.
  - repay long term debt of $10.0m.

Cash conversion

	FY17 $m	FY16 $m	Change
EBITDA	55.2	25.3	29.9
Non cash and working capital movement	(6.4)	(15.6)	9.2
Finance costs paid	(2.5)	(3.0)	0.5
Income tax paid	(4.2)	(0.3)	(3.9)
Underlying operating cash flow (1)	42.1	6.4	35.7
Net outflow from capex	(10.3)	(16.2)	5.9
Underlying free cash flow	31.8	(9.8)	41.6

(1) Excludes yearly movement in client cash held. Prior year also excludes operating cash received following AOT merger

- Strong underlying free cash flow generated of $31.8m, a significant improvement of $41.6m compared with prior year.
- Decline in non cash and working capital reflects improved working capital management.
- Disciplined capital spend management and refocus of our capital projects.
- Strong underlying free cash flows supports increase in FY17 dividends to shareholders and future business opportunities.

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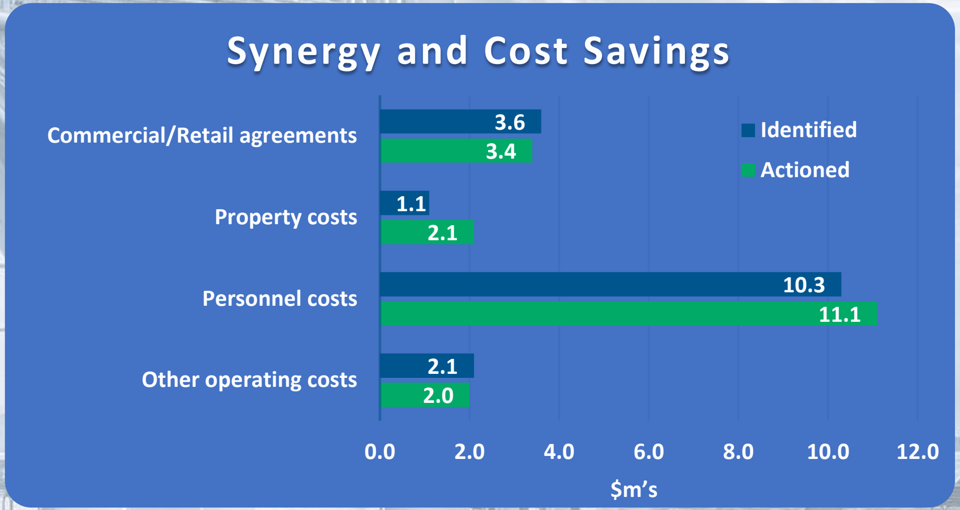
Analysis of synergies and cost reductions



$m	Identified	Actioned Jun-17	Actioned Jun-16	Movement FY17
Synergies and cost reductions	17.1	18.6	6.8	11.8
One-off costs	3.5	2.5	1.1	1.4

Helloworld Travel has over-delivered on the implementation of our identified synergies and cost reduction program.

Helloworld Travel has actioned $18.6m ($17.1m identified) of synergies and cost savings at a lower one-off cost of $2.5m ($3.5m identified).

In FY17, our key actions included:

- Reduction of employee numbers and restructure of functions.
- Renegotiation of key supplier contracts.
- Property rationalisation.
- Rationalisation and simplification of IT services and costs.

Business Focus and Priorities

Our travel portfolio

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Growth in member networks and numbers

BRANDED
AUSTRALIA AND NEW ZEALAND

INDEPENDENT
AUSTRALIA AND NEW ZEALAND

BRANDED MODEL	CORPORATE MODEL	ASSOCIATE MODEL	INDEPENDENT MODEL	TRAVEL BROKERS MODEL
helloworld TRAVEL THE TRAVEL PROFESSIONALS	helloworld BUSINESS TRAVEL	a member of helloworld TRAVEL; helloworld TRAVEL | AMERICAN EXPRESS TRAVEL	My TRAVEL GROUP	MTA mobile travel agents

TOTAL = JUN17: 2,015 JUN16: 1,666

- Total members have grown to 2,015, an increase of 349 from the 1,666 members at 30 June 16.
- Australian network continues to expand as brand recognition grows and through the strategic acquisition of MTA.
- NZ business has grown to 300 providing a strong trans-tasman distribution platform.

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The Digital Revolution – Clicks & Mortar strategy

We are transforming from a legacy bricks and mortar retail travel agency distribution business to an integrated retail leisure and corporate travel distribution business offering full in-person and online booking functionalities to our customers 24/7

We are developing and adopting technology as a partner in our businesses to deliver:

- transactional efficiency
- a greater content range and therefore greater choice

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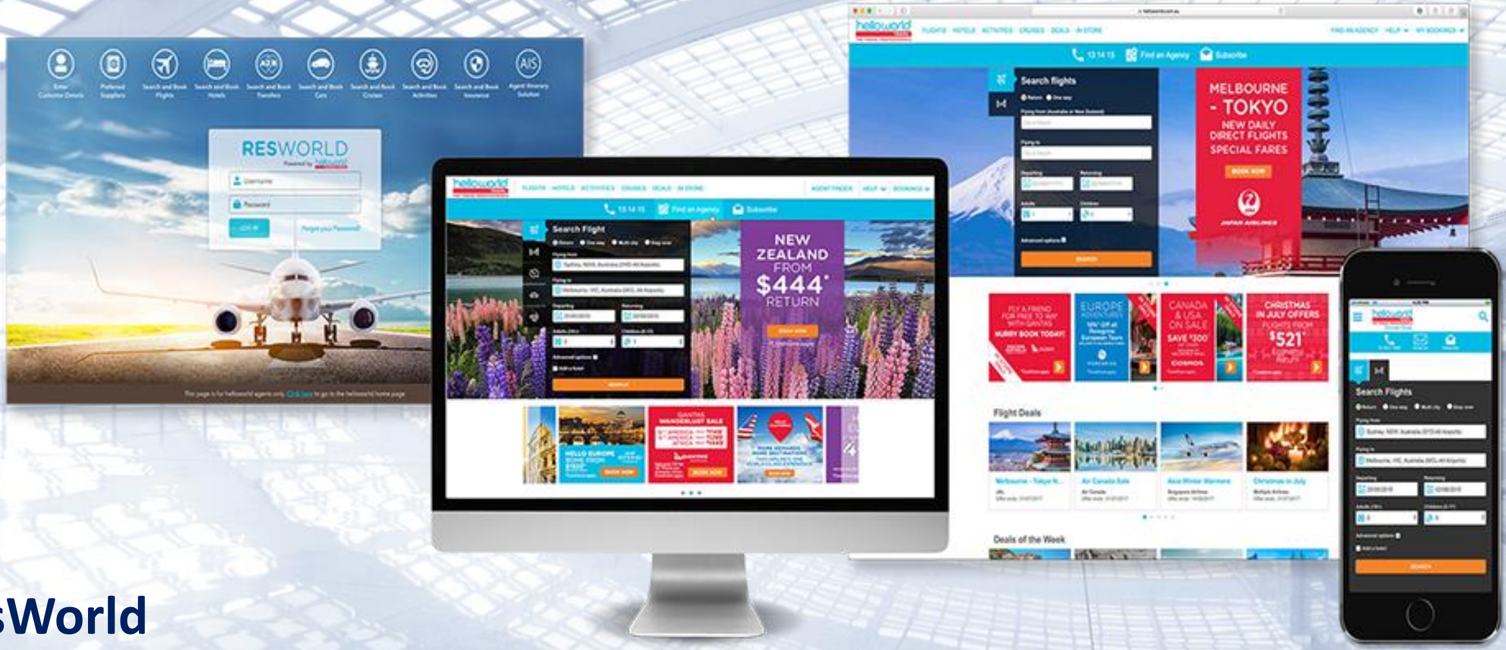
Complimentary Digital Tools



ResWorld
helloworld.com.au
Microsites & Apps

Continued Business Focus

Business Integration

- Improving margins
- Consolidating advantages
- Systems consolidation
- Premises consolidation

Agent Focus

- New remuneration model
- Co-investment strategy
- Aligned Clicks and Mortar strategy

Technology

- ResWorld
- helloworld.com.au
- Microsites & Apps
- Inbound systems development

Cost Control

- Structure and remuneration
- Property
- Technology and communications
- Advertising and marketing
- Process efficiencies

Brand Awareness

- Brand evolution
- Key sponsorships
- NZ member growth
- Traditional and digital media mix

Conclusion

- A strong business turnaround since the merger with AOT in February 2016, as evidenced by FY17 performance showing:
  - strong growth in revenue, EBITDA and net profit after tax; and
  - strong growth in key revenue and EBITDA margins across all segments.
- Cost base has been right sized. Merger synergies and cost reduction program actioned of $18.6m ($17.1m identified). Further benefit to be realised in FY18.
- Helloworld Travel is now well positioned for future growth and investment opportunities, delivering future benefits to our customers, agents, suppliers and shareholders.
- FY18 EBITDA expected to be in the range of $63.0 million to $67.0 million.

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Appendix

Restatement of TTV under revised methodology

$m	Australia		New Zealand		ROW		Consolidated	
	FY17	FY16	FY17	FY16	FY17	FY16	FY17	FY16
TTV - previous methodology	4,383.5	4,256.5	695.9	705.8	114.5	125.7	5,193.9	5,088.0
Correction to prior year self plate	-	-	-	(27.2)	-	-	-	(27.2)
Recognition of retail ancillary products sold	231.9	231.2	6.3	5.7	-	-	238.2	236.9
TTV - Net position	**4,615.4**	**4,487.7**	**702.2**	**684.3**	**114.5**	**125.7**	**5,432.1**	**5,297.7**
Recognition of retail sales through wholesale	247.3	239.1	128.9	119.1			376.2	358.2
Recognition of wholesale sales through company owned stores			17.9	17.4			17.9	17.4
Recognition of gross travel management sales	46.1	21.0					46.1	21.0
TTV - Gross position	**4,908.8**	**4,747.8**	**849.0**	**820.8**	**114.5**	**125.7**	**5,872.3**	**5,694.3**

TTV has been restated to reflect revised methodology. TTV adjusted to ensure:

- TTV represents sales that result in revenue.
- Recognition of ancillary products sold, not previously recognised.
- Recognition of inter-divisional TTV.

Thank-you